

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1827
96TH GENERAL ASSEMBLY

Reported from the Committee on Small Business, Insurance and Industry, May 10, 2012, with recommendation that the Senate Committee Substitute do pass.

5967S.04C

TERRY L. SPIELER, Secretary.

AN ACT

To amend chapter 338, RSMo, by adding thereto one new section relating to the Missouri electronic prior authorization committee.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 338, RSMo, is amended by adding thereto one new
2 section, to be known as section 338.320, to read as follows:

**338.320. 1. There is hereby established the "Missouri Electronic
2 Prior Authorization Committee" in order to facilitate, monitor, and
3 report to the general assembly on Missouri-based efforts to contribute
4 to the establishment of national electronic prior authorization
5 standards. Such efforts shall include the Missouri-based electronic
6 prior authorization pilot program established under subsection 5 of
7 this section and the study and dissemination of information by the
8 committee of the efforts of the National Council on Prescription Drug
9 Programs (NCPDP) to develop national electronic prior authorization
10 standards. The committee shall advise the general assembly and the
11 department of insurance, financial institutions and professional
12 registration as to whether there is a need for administrative rules to be
13 promulgated by the department of insurance, financial institutions and
14 professional registration as soon as practically possible.**

**15 2. The Missouri electronic prior authorization committee shall
16 consist of the following members:**

**17 (1) Two members of the senate, appointed by the president pro
18 tempore of the senate;**

19 (2) Two members of the house of representatives, appointed by

20 the speaker of the house of representatives;

21 (3) One member from an organization of licensed physicians in
22 the state;

23 (4) One member who is a physician licensed in Missouri pursuant
24 to chapter 334;

25 (5) One member who is a representative of a Missouri pharmacy
26 benefit management company;

27 (6) One member from an organization representing licensed
28 pharmacists in the state;

29 (7) One member from the business community representing
30 businesses on health insurance issues;

31 (8) One member from an organization representing the leading
32 research-based pharmaceutical and biotechnology companies;

33 (9) One member from an organization representing the largest
34 generic pharmaceutical trade association;

35 (10) One patient advocate;

36 (11) One member from an electronic prescription network that
37 facilitates the secure electronic exchange of clinical information
38 between physicians, pharmacies, payers, and pharmacy benefit
39 managers and other health care providers;

40 (12) One member from a Missouri-based electronic health records
41 company;

42 (13) One member from an organization representing the largest
43 number of hospitals in the state;

44 (14) One member from a health carrier as such term is defined
45 under section 376.1350;

46 (15) One member from an organization representing the largest
47 number of health carriers in the state, as such term is defined under
48 section 376.1350;

49 (16) The director of the department of social services, or the
50 director's designee;

51 (17) The director of the department of insurance, financial
52 institutions and professional registration, who shall be chair of the
53 committee.

54 3. All of the members, except for the members from the general
55 assembly, shall be appointed by the governor no later than September
56 1, 2012, with the advice and consent of the senate. The staff of the

57 department of insurance, financial institutions and professional
58 registration shall provide assistance to the committee.

59 4. The duties of the committee shall be as follows:

60 (1) Before February 1, 2019, monitor and report to the general
61 assembly on the Missouri-based electronic prior authorization pilot
62 program created under subsection 5 of this section including a report
63 of the outcomes and best practices developed as a result of the pilot
64 program and how such information can be used to inform the national
65 standard-setting process;

66 (2) Obtain specific updates from the NCPDP and other pharmacy
67 benefit managers and vendors that are currently engaged in pilot
68 programs working toward national electronic prior authorization
69 standards;

70 (3) Correspond and collaborate with the NCPDP and other such
71 pilots through the exchange of information and ideas;

72 (4) Assist, when asked by the pharmacy benefit manager, with
73 the development of the pilot program created under subsection 5 of this
74 section with an understanding of information on the success and
75 failures of other pilot programs across the country;

76 (5) Prepare a report at the end of each calendar year to be
77 distributed to the general assembly and governor with a summary of
78 the committee's progress and plans for the next calendar year,
79 including a report on Missouri-based efforts to contribute to the
80 establishment of national electronic prior authorization
81 standards. Such annual report shall continue until such time as the
82 NCPDP has established national electronic prior authorization
83 standards or this section has expired, whichever is sooner. The first
84 report shall be completed before January 1, 2013;

85 (6) Upon the adoption of national electronic prior authorization
86 standards by the NCPDP, prepare a final report to be distributed to the
87 general assembly and governor that identifies the appropriate Missouri
88 administrative regulations, if any, that will need to be promulgated by
89 the department of insurance, financial institutions and professional
90 registration, in order to make those standards effective as soon as
91 practically possible, and advise the general assembly and governor if
92 there are any legislative actions necessary to the furtherance of that
93 end.

94 5. The department of insurance, financial institutions and
95 professional registration and the Missouri electronic prior
96 authorization committee shall recruit a Missouri-based pharmacy
97 benefits manager doing business nationally to volunteer to conduct an
98 electronic prior authorization pilot program in Missouri. The
99 pharmacy benefits manager conducting the pilot program shall ensure
100 that there are adequate Missouri licensed physicians and an electronic
101 prior authorization vendor capable and willing to participate in a
102 Missouri-based pilot program. Such pilot program established under
103 this section shall be operational by January 1, 2014. The department
104 and the committee may provide advice or assistance to the pharmacy
105 benefit manager conducting the pilot program but shall not maintain
106 control or lead with the direction of the pilot program.

107 6. Pursuant to section 23.253 of the Missouri sunset act:

108 (1) The provisions of the new program authorized under this
109 section shall sunset automatically six years after the effective date of
110 this section unless reauthorized by an act of the general assembly; and

111 (2) If such program is reauthorized, the program authorized
112 under this section shall sunset automatically twelve years after the
113 effective date of the reauthorization of this section; and

114 (3) This section shall terminate on September first of the
115 calendar year immediately following the calendar year in which the
116 program authorized under this section is sunset.

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